

JUDICIAL CENTRE      CALGARY

COURT FILE NUMBER / ESTATE NUMBER

Peavey Industries Limited. 25-3238486

IN THE MATTER OF THE BANKRUPTCY OF

PEAVEY INDUSTRIES LIMITED.

OF THE CITY OF CALGARY  
IN THE PROVINCE OF ALBERTA

TRUSTEE'S REPORT TO CREDITORS ON PRELIMINARY ADMINISTRATION

July 8, 2025

## BACKGROUND

1. On January 27, 2025, Court of the King's Bench of Alberta (the "**Court**") granted an initial order (the "**Initial Order**") under the Companies' Creditors Arrangement Act, R.S.C. 1985., c. C-36, as amended (the "**CCAA**"). The Initial Order applies to Peavey Industries General Partner Limited, Peavey Industries LP, Peavey Industries Limited, Peavey Industries Mutual Fund Trust, TSC Stores GP Inc., Guy's Freightways Ltd., and (collectively, the "**Applicants**"). The proceedings commenced by the Applicants under the CCAA will be referred to herein as the "CCAA Proceedings". Pursuant to the Initial Order, FTI Consulting Canada Inc. has been appointed as monitor (the "**Monitor**").

2. On May 15, 2025, the Court granted an order (the “**Enhanced Monitor’s Power Order**”). Pursuant to Paragraph 3(p) of the Enhanced Monitor’s Power Order, the Applicants are authorized to make an voluntary assignment in bankruptcy pursuant to the Bankruptcy and Insolvency Act (Canada) (the “**BIA**”). In that regard, pursuant to Paragraph 3(s) of the Enhanced Monitor’s Power Order, the Monitor is authorized to sign such documents in the name of any of the Applicants and take all such steps as are necessary to make the assignments in bankruptcy and commence proceedings under the BIA (the “**BIA Proceedings**”).
3. On June 18, 2025, board resolutions were signed authorizing Peavey Industries Limited (“**PIL**”) to make an assignment in bankruptcy to the BIA in the City of Calgary, Province of Alberta naming FTI Consulting Canada Inc. as the trustee in bankruptcy (the “**Trustee**”).
4. On June 20, 2025, the Office of the Superintendent of Bankruptcy Canada (“**OSB**”) issued the certification of appointment for PIL, recognizing the assignments and both companies are officially in bankruptcy.

## **PRELIMINARY EVALUATION OF ASSETS AND DETAILS OF SECURITY INTERESTS**

### **Summary of Assets**

5. As of December 31, 2024, the date of the most recent (unaudited) financial statements, PIL had total assets with a book value of approximately \$7.1 million comprising:
  - a) Cash of \$1.7 million;
  - b) Income taxes recoverable of \$449,000;
  - c) Due from related parties of \$4.9 million; and

- d) Other assets of \$815.

## **Liabilities**

- 6. As of the Filing Date, PIL had the following liabilities:
  - a) 1903 Partners, LLC (“**1903 Partners**”) and 1903P Loan Agent, LLC, as 1903 Partners’ administrative agent (the “**Agent**”) having a Limited Recourse Guarantee, to which 1903P’s recourse against PIL is limited only to the partnership units that PIL holds in Peavey Group;
  - b) Business Development Bank of Canada having a contingent secured claim; and
  - c) PIL is the lessor under certain leases in Western Canada, which during the assignment of leases to PILP upon Peavey’s formation, did not release PIL’s obligations and liabilities to the landlords.

## **BOOKS AND RECORDS**

- 7. The Receiver has backed up the Peavey Group’s electronic records on external hard drives. The Trustee will have access to the Peavey Group’s records as required to complete the administration of the bankruptcy estates.

## **CONSERVATORY AND PROTECTIVE MEASURES**

- 8. As of the date of the bankruptcy, PIL has \$1,756,546.63 in the cash. Pursuant to the Enhanced Monitor’s Power Order, the Monitor has taken control of the bank account in the CCAA Proceedings. The Trustee will transfer the money to the bankruptcy estate bank account.

## **PROVABLE CLAIMS**

9. As at the date of this report, the Trustee has received 1 proofs of claim from unsecured creditors totalling \$88,402.47.

## **LEGAL PROCEEDINGS, REVIEWABLE TRANSACTIONS AND PREFERENCE PAYMENTS**

10. The Trustee has not commenced any legal proceedings and is not aware of any proceedings commenced against the estate at this time.

## **THIRD PARTY GUARANTEES**

11. PIL does not expect any third party guarantees with respect to administration of the estate.

## **SECURITY REVIEW**

12. The Monitor's legal counsels is currently completing independent reviews to confirm the validity and enforceability of 1903 Partners' security over certain assets of the estate. The legal opinions will be shared with creditors once completed.

## **ANTICIPATED ASSET REALIZATIONS AND PROJECTED DISTRIBUTIONS**

13. As part of the CCAA Proceedings, the Monitor has reviewed the assets of PIL and determined the only asset realizable in PIL is the \$1,756,546.63 in cash.
14. The cash will be used to distribute to creditors who has a valid claim against PIL.

\*\*\*\*\*

**FTI Consulting Canada Inc.**

Solely in its capacity as Trustee in Bankruptcy of  
Peavey Industries Limited.  
and not in its personal capacity

Per:



Deryck Helkaa, CA, CPA, CIRP, LIT  
Senior Managing Director